

No. **4551**

OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE

Date: JUN 29 2016

Subject Considered:

Commissioner's Determination
Under Insurance Code § 425.073(b)

General Remarks and Official Action Taken:

The commissioner considered the following information:

1. Under Texas Insurance Code § 425.073(b), the operative date of the valuation manual must be January 1 of the first calendar year immediately following a year in which, on or before July 1, the commissioner determines that:

(1) the valuation manual has been adopted by the National Association of Insurance Commissioners by an affirmative vote of at least 42 members, or three-fourths of the members voting, whichever is greater;

(2) the National Association of Insurance Commissioners Standard Model Valuation Law, as amended by the National Association of Insurance Commissioners in 2009, or legislation including substantially similar terms and provisions, has been enacted by states representing greater than 75 percent of the direct premiums written as reported in the following annual statements submitted for 2008:

- (A) life insurance and accident and health annual statements;
- (B) health annual statements; or
- (C) fraternal annual statements; and

(3) the National Association of Insurance Commissioners Standard Model Valuation Law, as amended by the National Association of Insurance Commissioners in 2009, or legislation including substantially similar terms and provisions, has been enacted by at least 42 of the following 55 jurisdictions:

- (A) the 50 United States;
- (B) American Samoa;
- (C) the United States Virgin Islands;
- (D) the District of Columbia;
- (E) Guam; and
- (F) Puerto Rico.

2. The valuation manual was adopted by the NAIC on December 2, 2012, with 43 members voting in the affirmative. As of the date of this order 45 states, including Texas, have advised the NAIC that they have enacted the Standard Model Valuation Law, as amended by the National Association of Insurance Commissioners in 2009, or legislation including substantially similar terms and provisions laws substantially similar to the model.

3. The states referenced in paragraph 2 represent more than 79 percent of the applicable premium volume.

4. On June 10, 2016, after conducting an analysis of these states' laws, the NAIC voted unanimously to recognize that all three prerequisites defining the operative date have been satisfied.

The commissioner hereby determines and orders that the statutory requirements set forth in Texas Insurance Code § 425.073(b) have been met on or before July 1, 2016. The statute provides that the operative date of the valuation manual is January 1, 2017.

A handwritten signature in black ink, appearing to read 'D. Mattax', is written over a horizontal line.

David C. Mattax
Commissioner of Insurance